



# OVERNIGHT & SINGAPORE WINDOW

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## FLAT PRICE

The Feb Brent Futures contract saw renewed strength in price action this morning, steadily rising from \$73.28/bbl at 07:00 GMT to trade at \$73.70/bbl at the time of writing (10:20 GMT); API statistics highlighted a moderate draw in crude by 4.7mb to the week ending Dec 6th, contrasting analyst expectations of 1.85mb. In headlines, QatarEnergy has reportedly increased the price of its al-Shaheen crude oil blend for February loadings, reflecting strong demand. According to Reuters, the price will be \$1.05 per barrel above the Dubai benchmark, up \$0.32 from January loadings. The company has already sold three cargos at premiums ranging from \$0.90 to \$1.05 per barrel. This move contrasts sharply with Saudi Arabia's recent price cuts for key Asian markets, including a reduction for January loadings. Meanwhile, India's Bharat Petroleum Corporation Limited (BPCL) plans to boost its refining capacity by 10 million tons annually by 2028, increasing from 35.3 million to 45 million tons per year, to meet rising demand, according to BPCL's refining head Sanjay Khanna, reported by Reuters. At the time of writing, the front (Feb/Mar'25) and 6-month (Feb/Aug'25) Brent Futures spreads have narrowed slightly to \$0.34/bbl and \$1.58/bbl.

## CRUDE

This morning in dated, we saw things go better bid with the Jan DFL trading up to \$0.29/bbl and the balmo DFL lifted up to \$0.45/bbl. We also saw Jan/Feb strengthen up to \$0.17/bbl with the 6-10 2 week roll going bid with the cfd trading at \$0.20/bbl and the 20-24 Jan cal Feb roll trading up to \$0.40/bbl. We saw more sell-side interest in the 23-27 week with the 23-27 cal Jan and 23-27 3 week going offered. We also saw sell-side interest in the 3-7 Feb DBL which traded at \$0.22/bbl.

## FUEL

This morning in VLSFO, Sing 0.5 was weaker. Front spreads were offered, as we saw Jan/Feb trading from \$3.25/mt to \$2.75/mt. Front Sing cracks saw sellside pressure, Jan from \$10.80/bbl to \$10.55/bbl, and Mar was offered at \$10.30/bbl. We also saw sellside interests in Q4 Sing crack at \$7.90/bbl. There was buying interests in deferred 0.5 EW box, May/Jun at \$0.75/mt, and Q2/Q3 bid to \$1.75/mt. It was a relatively quiet morning for Euro 0.5, there was some buy-side interests in front euro cracks, Feb at \$4.45/bbl, but Q3 euro crack was offered at \$3.25/bbl. We also saw some buying in front Euro structure, Jan/Feb at \$4.00/mt and Feb/Mar at \$3.25/mt.

This morning in HSFO, 380 was a touch stronger. We saw buying interests in Q3 380 crack at \$-7.10/bbl and Jan 380 crack traded from \$-4.50/bbl to \$-4.45/bbl. There was buy-side interests in structure, both prompt and deferred, Jan/Feb strengthened from \$3.50/mt to \$3.75/mt and we saw May/Sep bid to \$21.50/mt. There was sellside pressure on front VISO, Jan VISO was trading at \$9.50/mt compared to yesterday's closing at \$10.00/mt. We continued to see deferred selling interests in Q2 380 E/W at \$6.75/mt, and Jan E/W weakened from \$6.75/mt to \$6.50/mt. In barges, Jan barge crack was trading from \$-5.60/bbl to \$-5.35/bbl. We saw some buying interests in barge structure, with Mar/Apr trading from \$2.25/mt to 2.75/mt.

## DISTILLATES

This morning in distillates, the Sing gasoil spreads were bid with the Jan/Mar getting lifted on screen to \$0.90/bbl as the Jan E/W remained rangebound, rallying to -\$14.75/mt before coming back off post-window to -\$15.00/mt. The prompt regrade initially rallied to -\$0.70/bbl and then was sold back down to -\$0.80/bbl while the 4Q traded at -\$0.10/bbl.

ICE gasoil spreads continued to rally this morning, the Jan/Jul to \$16.25/mt as the Q1 crack rallied to \$18.10/bbl. The European jet diffs continued to tick lower in the prompt, the Jan to \$37.50/mt as the 2Q traded at \$50.00/mt. Heating oil spreads rallied at the front of the curve while the hogos came off on stronger gasoil, the Q1'25 to 7.1 c/gal.

## GASOLINE

This morning in gasoline, we saw Jan 92 flat price valued at \$80.10/bbl at the end of the window equivalent to \$7.88/bbl on a crack basis. Jan 92 cracks strengthened from \$7.85/bbl to \$8.05/bbl as Q3 cracks saw buying at \$6.15/bbl with 92 spreads supported; Jan/Feb well bid from \$0.42/bbl to \$0.45/bbl and Feb/Mar trading up to \$0.38/bbl from \$0.35/bbl with Mar/May also bid. Jan E/W saw selling at -\$0.15/bbl with Jan EBOB cracks seeing scaleback selling from \$8/bbl to \$8.20/bbl as buying came in at \$11.90/bbl in Q3. Jan/Feb EBOB saw buying at -\$4/t up from -\$4.25/t with Jan/May and Apr/Jul seeing buying at -\$39.75/mt and \$15.50/mt respectively. Arbs saw little trading activity with Jan selling at 3.20c/gal as Feb RBBRs rallied post-window from \$8.90/bbl to \$9.20/bbl before softening to \$9.10/bbl.

## NAPHTHA

This morning in naphtha we saw MOPJ moc valued at 637/mt with moc slightly better offered. There was MOPJ flatprice buying this morning and we saw the prompt crack valued at -\$1.6/bbl end of window and firming up to trade at -\$1.45/bbl post window. Spreads were better bid this morning with JanFeb strengthening from \$4.5/mt to 5/mt post window as well as 1/2 trading up to \$15.75/mt from \$15/mt in the morning. E/W was offered this morning with Jan implied at \$21/mt pre window and trading down at \$20.5/mt post. NWE cracks were trading at -\$4/bbl during the window and firmed to trade at -\$3.6/bbl while deferred cracks saw some real buyside interest with Q2'25 valued at -\$4.7/bbl post window. Spreads in naphtha also firmed with Jan/Feb strengthening post window from \$3/mt to \$4/mt as the front turned better bid.

## NGLS

This morning in NGL's, FEI was better offered with spreads broadly unchanged in prompt and deferred. In prompt, we saw Jan/Feb and Feb/Mar trade at \$4/mt and \$14/mt levels; whilst in deferred, we saw Q1/Q2 trade at \$36/mt. Physical window was purely offered with an offer being made and improved for 2H Jan at Jan FEI minus \$2.5/mt. Arbs were slightly weaker from yesterday's close with Jan and Feb trading down to -\$203/mt and -\$196/mt respectively owing to crude, whilst E/W was slightly weaker with Jan trading down to \$57/mt. FEI/CP was better bid with Jan and Feb trading up to -\$19/mt and -\$10.5/mt respectively. CP spreads were supported in prompt, with Jan/Feb and Feb/Mar trading at \$12.5/mt and \$13.5/mt respectively.

## GLOBAL MACRO

- German economic weakness is becoming chronic. The Ifo Business Index fell to 84.7 in December (Chart 1), down from 85.6 in November –its lowest level since May 2020. This is far below the long-term average of 96.6 and looks weak even compared to recent years.
- U.S. Industrial production declined for the third straight month and capacity utilization fell to its lowest level since April 2021.
- U.S. November industrial production -0.1% m/m vs. +0.3% est. & -0.4% prior
- U.S. retail sales headline beats, but take out car purchases (year end tax break) they are weaker than expected.
- US NOV. RETAIL SALES RISE 0.7% M/M; EST. +0.6% - BBG
- US NOV. RETAIL SALES EX-AUTO RISE 0.2% M/M; EST. +0.4%

“Yesterday marked the 11th day in a row where there were more decliners in the S&P than advancers...the longest run since the 1920s is 14 days seen in 1978. If the run extends to 12 days today it will be the second longest run in 100 years”

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4/4



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